

DRAFT FOR DISCUSSION

PROBLEMS IN INTEGRATING SPAIN INTO WESTERN DEFENSE

I. The current situation

A. State of the Spanish economy

Structure of the Spanish economy; its development over the past 15 years; the disinvestment process; real per capita income declining.

B. Internal political situation

Nature and origin of the present regime. Prospects for stability. Strength and organization of the opposition.

C. Spanish foreign relations

Attitudes of Western European governments and important segments of the populations of those countries.

Attitudes of the Spanish government and people to the problem of Western defense.

D. Spain's military position

Geographical and strategic importance of Spain. Size and quality of armed forces.

II. Cost of Integrating Spain into Western defense

A. Introduction

There are several ways Spain could contribute to Western defense: it could supply military bases, military manpower or economic resources. Each of these contributions would cost the West something.

B. The general political cost

Depends on type of arrangement: NATO; bi-lateral with US; Iberian - US; Mediterranean. Effects and possibilities of each arrangement on Western European attitudes and military effort; effects on Spanish attitude, policies and internal political situation.

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C. Costs of an economic contribution

A substantial economic contribution, including an increase in Spain's military expenditures, would have a high price tag -- higher than the value by which the West would benefit? Reasons to be found in need for wide and substantial investment and leakages of aid into increased consumption.

D. Costs of a manpower contribution

Since the economic productivity of Spanish labor is much lower than that of most other Western labor, the cost of using Spain's army for the defense of the west should be relatively cheap. Getting these soldiers into position outside of Spain would probably involve a commitment to help develop Spain economically and would involve the political costs mentioned in B.

E. Costs of military bases

Utilization of Spain as a military base would cost the West least but would require substantial US investments in Spain for the repair of the railroads, etc. An estimate of these costs and of prices Franco might insist on for these bases.

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